How to find that 1% that drives over 50% of extra revenue

BUILDING A VALUE LADDER

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INTRODUCTION

A value ladder's key concept is to move people strategically through your list of offerings that increase in price and value.

If you do this well, you can massively increase your CLTV.

The critical mindsets to embrace:

- Offer in each product so much value that investing in a higher-priced product becomes a no-brainer
- Create products that people can't live without
- Build a machine that moves people from offer to offer
- Use Direct Response Copywriting and Automation to make selling easier for you

So, let's begin with building a value ladder!

If there is anything we can help you with, feel free to reach out!

Best,

Chris & Marlies

BUILDING A VALUE LADDER

Build your value ladder and increase your CLTV

This lever is designed to maximize the value of your customer.

You should never sell just one product or service at one price. Why? Because you're leaving so much money on the table when you're underserving your customers.

The money is in the list
If you have an audience, which could be an email list or a customer list, there is a difference in what people are willing and able to pay.

If you sell only one product at one price, it means that people who want to buy from you with less budget go somewhere else. You are limiting who you can sell to. And, sometimes people just need time to warm up.

Find hidden money
Do you want to know where you're leaving money on the table in your business? What would you be able to earn if you have one product and introduce a lower-priced and a higher-priced product?

A real-life value ladder

Chris has bought for over 20k of online courses from Ramit Sethi by being strategically guided though a value ladder.

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The first course that he purchased in 2014 was called Productivity Pack. It was priced at $197 at that time. It's a course that focuses on increasing your current productivity.

Chris bought the course and got results within two weeks. He became more productive. In other words, the value that he got was significantly higher than the price paid.

Two months later, Ramit offered a course on freelancing called Earn1k. This course promises that after completion, you can earn $1,000 per month as a freelancer. The price of this course was $997.

If you compare this to the productivity pack course, it has a higher price, but it also delivers a higher value.

The Productivity Pack course results gave Chris enough confidence that by investing in Earn1k, he would also get more value than what he paid for this course.

Chris had just started an agency and applied the principles of the Earn1K course.

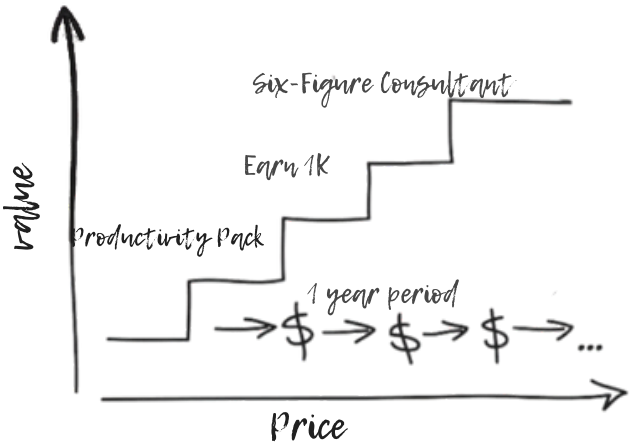
Thanks to the course he was able to get that agency to a monthly revenue of 5k+ within three months.

He invested $997 to get business within three months that generated more than $5,000 per month.

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At that moment in time, Ramit offers his next course, Six-Figure Consultant. The course teaches you how to get to $100,000 in revenue per year.

It's priced at $7,500 for 12 videos and some worksheets. Investing in this was a no brainer because Productivity Pack and Earn1k already had proved themselves.



What can you learn from this?

- Chris bought more expensive products, more comfortably each time.
- The longer his connection with Ramit, the less he focused on price and more on the value that it would generate.
- Buying his latest course at once at $7,500 would be an ask that was too big. But in this sequence, it became a no-brainer. The trust was already there.

BUILDING A VALUE LADDER

We always tell clients to find a Trojan horse, like the cheapest course from Ramit or a free incentive, that starts a paying relationship with their customers.

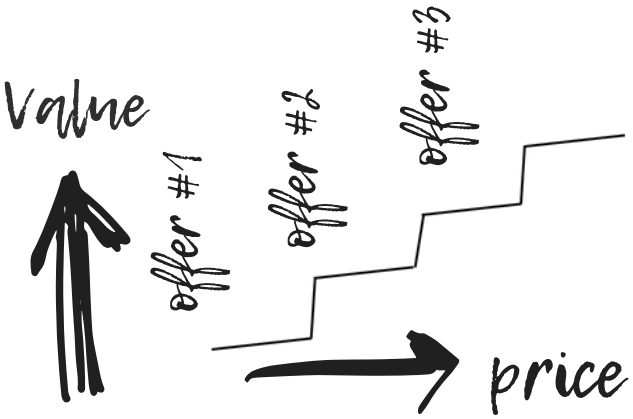
This incentive will show your value and allow you to sell more from that point.

This concept is called a value ladder.

A value ladder is a lineup of offers that increase in price and value.

They meet people where they are on their journey to become a customer — from initial awareness to their final decision to buy your premium offerings.

It's an effective way for you to build trust and maximize the lifetime value of each customer.



A great value ladder delivers so much value to the customer that they want to move up the ladder.

BUILDING A VALUE LADDER

A value ladder increases your customer lifetime value because you're focusing on expanding the relationship's value.

You do this by strategically placing offers and moving them through the ladder.

Types of revenue in a value ladder

An important concept to make the most out of a value ladder is front-end and back-end revenue.

- **Front-end revenue** = Money you make on the first sale/start of the relationship.
- **Back-end revenue** = Money you make on all the purchases after the first sale.

The lowest offers in your value ladder are probably the most significant source of front-end revenue. The threshold to buy is relatively low for these offers.

The higher priced offers in the ladder are mostly back-end revenue. As people need warmup time first.

Many companies measure their revenue success based on front-end revenue, while top companies have more mechanisms in place to maximize back-end revenue.

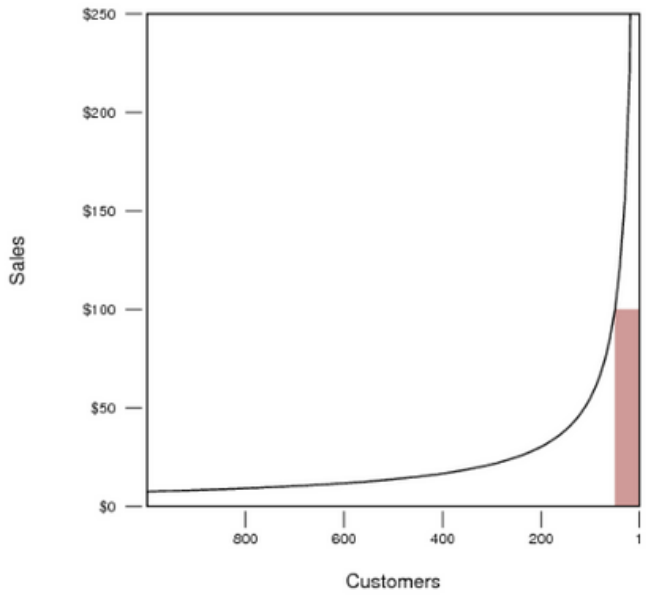
Building a value ladder will help you focus on generating more back-end revenue.

BUILDING A VALUE LADDER

Calculate the potential of your business

Let's say that you've got a $100 product that you sell to 50 people per month. Every month you have 1000 visitors on your site.

Perry Marshall created a tool, the 80/20 curve, to quickly show how much demand there would be for a lower-priced and a higher-priced product.



How should you read this graph that's generated by the tool?

We have 1,000 visitors and 50 of them bought a $100 product. That's the red area.

On the vertical axis, you see the product price that people are willing to pay. On the horizontal axis, you see how many people would buy a product at that price if you would offer it.

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You see that 200 people of the 1,000 would buy a $25 product. That is 200 x $25 = $5,000 of extra revenue if you try to sell this product.

At the higher end, you can calculate that from this audience, 10 people would pay $400 for a higher-priced product.

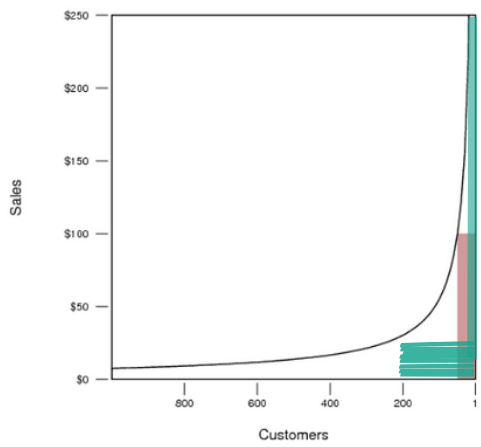
Let's calculate what the revenue potential would be: Your start revenue per month: 50 people x $100 product = $5,000

Now you're adding a lower and a higher-priced product to this audience:

- Introduce a lower level product of $25 and 200 people will buy that = $25 x 200 = $5,000
- Introduce a higher level product of $400 and 10 people will buy that = $400 x 10 = $4,000

Total extra revenue = $9,000

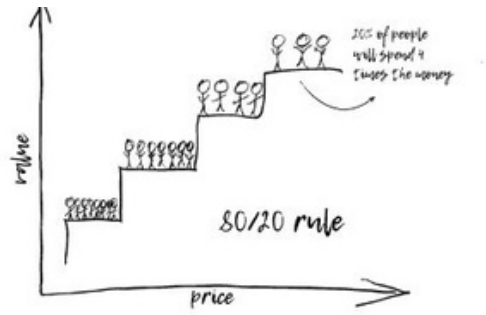
By doing this, you increased your revenue from $5,000 to $14,000. That's a 180% increase in revenue!



BUILDING A VALUE LADDER

Perry Marshall has a handy rule of thumb for you when adding products to a value ladder:

80/20 says that 20 percent of the people will spend 4 times the money. It also says that 4 percent of the people will spend 16 times the money. Memorize this - it's one of the most powerful facts you could ever know about business.**



Why is this a lever?

Value ladders can massively increase your revenue. It’s combining things that you already do and relationships you already have and turning that into more money. You can even automate this.

It’s a waste if you forget to serve your low-end and high-end customers by not using this strategy.

You can quickly implement the first version, and you can go mega advanced, which we will show how to do. If we could go back in time, focusing on value ladders would be one of the things that we would do more.

BUILDING A VALUE LADDER

Become a value ladder matchmaker

We know this is called a Cheat Sheet, but we don't believe in only bringing you the cheats. We want to give you the fish and also teach you how to fish. If you're going to go all-in and advanced on the value ladder, you should study Jay Abraham. Jay is the world's best marketing consultant. He generated billions of dollars for his clients.

This video from Jay Abraham shows how you can become a value ladder matchmaker.

You are adding offerings to your value ladder or just connecting other people's products on a new value ladder. Don't get distracted by the title of the video. Focus on the proprietary content that Jay shares. It's the best out there.

PRODUCT-MARKET FIT

We've discussed the value ladder extensively and now it's time to start with the fundamentals.

To get the most out of your levers and your value ladder, it's really important that you know who your ideal customer is. We'll share two frameworks that can quickly help you to determine your ideal customer.

- Product-market fit
- 80/20 Buyer analysis

These two frameworks help you understand who is a great fan of you and who spends the most with you. Doubling down on this group is your fast track to more revenue in a quick and easy way.

Product-market fit
You've got a product-market fit when *40% or more of your customers are very disappointed if they can't use your product or service anymore.* This framework is introduced by Sean Ellis to quickly figure out if a company is ready to scale.

When you score over 40%, you've got a really strong product-market fit and you can go all-in. When you score below 40% it's important to understand why. Is your product not good enough? Are you attracting the wrong audience? Is your messaging not clear? Make some changes based on your insights and see if your product-market goes up.

PRODUCT-MARKET FIT

So, how do you determine your PM fit? Ask your customers! Send out a product-market fit survey and ask the following questions:

- How disappointed would you be if you can't use our product or service anymore
  - Very disappointed
  - Slightly disappointed
  - Not disappointed
  - N/A I no longer use [ProductName]
- Why?

Super easy. Asking this gives you insight into who would be disappointed but also why you're delivering value from their perspective.

80/20 buyer analysis
Next is to find out which clients spend the most money with you. You try to find the 20% of customers that generate 80% of your revenue and create a persona of that person. Getting more of these clients in will help you grow your business.

You want to find the interaction between the profile of the product-market fit survey and your best-paying customers persona. Where do they overlap? Where do they differ? This will give you amazing insights in who you need to focus on to grow your business.

PRODUCT-MARKET FIT

Exercise: Finding your best customer

- Send out a product-market fit survey to your customers with the PM fit questions. You can use your own survey tool, or try **this one.** There is a lot of free background information included.
- Add some extra questions to your questionnaire that could give more insight into who this customer is
  - Why did you buy this product?
  - What do you want to achieve with this product?
  - What blocked you from almost buying this product?
  - Can you describe your current situation?
  - Can you describe the type of business you're in?
- Analyze which 20% of your customers has generated over 80% of your revenue
- Put the results together and create a profile of who your best customer is

There is an important saying, choose, and be chosen. The more specific you are in who you target, the easier it will be for them to find and buy from you.

Use the persona from this exercise for the rest of your challenge.

CUSTOMER DESIRE MAP

By doing the product-market fit exercise, you'll have a better understanding of WHO you need to target. Now you want to know what really triggers, so you know how you can market and sell to them in the best way possible.

The framework that we use to understand what triggers people is by documenting their thoughts in a customer desire map. Ramit Sethi created this framework. You can find a detailed explanation of the customer desire map through **this link.**

The Customer Desire Map

- **Hopes and dreams.** Your customers' goals. What is it they want the most? How can you help them achieve it?
- **Pains and fears.** This is what your customers want to avoid no matter what. What are they afraid of? What scares them?
- **Barriers and uncertainties.** The things in the way of your customers' goals. What are they tired of? What's stopping them from their desires?

An example of a customer desire map:

Hopes & Dreams: These are what your customers want to attain or achieve above all else.

- *"I would love to build a business on the side so I can finally quit this soul-sucking job."*
- *" I want to finally be able to provide my family with the things they desire, like a great vacation or christmas presents they actually like."*

CUSTOMER DESIRE MAP

- *"I want to be able to walk up to any woman in the middle of the the day, strike up an interesting conversation and feel totally confident the entire time."*

Pains & Fears: These are what your customers want to avoid or move away from at all costs

- *"I went to a party Friday night and felt like a total loser with nothing interesting to say."*
- *"I wake up every morning completely exhausted, dreading my 1-hour commute to work."*
- *" I'm sick and tired of falling for men who are afraid of commitment -- this is the third guy this year."*

Barriers & Uncertainties: These are the things preventing or getting in the way of your customers attaining what they want

- *"It just seems like every fitness company out there just wants to upsell you to their scammy supplement program."*
- *"Yeah of course I want to start a business, but where do I even begin?"*
- *"What does it mean when someone gives you their number but then doesn't respond to your texts? Am I doing something wrong?"*

These exact quotes are what we call **"voice of the customer"** data.

Where can you find this data?

- Surveys - like your product-market fit survey

CUSTOMER DESIRE MAP

- Emails - go through your emails and search for questions your clients asked you in the past about your service
- Customer service questions - when people ask you questions this is a great opportunity to learn more about what triggers them 1 on 1 interviews with customers
- Online groups - where your customers are asking each other questions on LinkedIn and Facebook
- Forums - where people ask questions and the community responds - places like Quora

CUSTOMER DESIRE MAP

Exercise: Creating your Customer Desire Map

- Analyze the WHY section of your product-market fit survey and search for the voice of customer quotes
- Document the last five conversations you had with your customers and put their quotes in the customer desire map
- Conduct five interviews with your customers and ask them about their dreams, pains and fears, and the obstacle on their way to that dream
- Participate in 3 online groups, search for the questions with the most likes or votes, and document the quotes in your customer desire map
- Check if the quotes and your language on your website, emails, and proposals are aligned with what you found in your customer desire map. Make changes where the difference is too big.

You now know who your best customer is and how you can trigger them—a perfect foundation for extreme revenue growth.

MAPPING YOUR VALUE LADDER

Now it's time to map your value ladder.

A value ladder is a lineup of offers that increase in price and value that meet people where they are on their customer journey — from initial awareness to buying your premium offerings.

A value ladder increases the lifetime value of a customer, which means the amount of money that someone spends in your business over its lifetime. But also to build a relationship with the customer, to attract new audiences and warm them up for higher-priced products.

A great value ladder delivers so much value to the customer that they want to move up the ladder.

At the very bottom, you'll ideally have a downloadable free incentive that helps your audience with a certain problem but also introduces you and your product, a lead magnet. As clients from there on ascending the ladder, the value you bring to the table increases, as does the cost to play.

So, let's start with mapping your value ladder! We'll use the same example we've used in our first chapter: Ramit's online courses.

Step 1 is to list all your products, starting with the lowest price at the top.

1. Lead magnet - free tool kit on how to earn more money
2. Offer 1 - Book - $19
3. Offer 2 - Productivity pack course - $147
4. Offer 3 - Earn1k course - $997

MAPPING YOUR VALUE LADDER

5. Offer 4 - Six-Figure Consulting course - $7.497

Step 2 is to list the value proposition that each product creates for your customer.

1. Lead magnet - Free Tactics earn more money
2. Offer 1 - Investment & money-making strategies + tactics
3. Offer 2 - Strategies and tactics to become more productive
4. Offer 3 - Earn $1000 per month on the side
5. Offer 4 - Earn 100K+ per year

Step 3 Assess your value ladder

In this step, you're assessing the value ladder.

- Does it follow a logical progression?
- Are the jumps in value logical?
- Is the jump in price logical?
- Does each step have a strong price/quality ratio?
- Is the sequence set up, so a lower product opens up the desire for the next product?
- Are you missing products on your value ladder?

MAPPING YOUR VALUE LADDER

Exercise: Mapping your Value Ladder

- Map out all the products that you have
- Map out the price and value of your products
- Assess your value ladder

Building your value ladder is one of the most important things to do for your business. If you only have 1 product, you're missing out on so much revenue.

Think if you could introduce more products with more prices and different value propositions. This will help you maximize the lifetime value of your customers.

LEVERAGING THE VALUE LADDER OF COMPETITORS

You've got your value ladder in place. Now you want to make sure to maximize its potential.

For that, we're analyzing what your competition is doing to not miss out on easy revenue. We want to get inspired and have the opportunity to leverage what your competitors have already built. Why figure everything out yourself when somebody else has already done the work for you!

We'll take the framework from the previous exercise and analyze the offerings of your three biggest competitors.

Who are those three biggest competitors? Ask your clients and people that might want to work with you who else they consider working with.

We're doing this to get inspired and see which type of offers are already available. This will help you differentiate from competitors.

LEVERAGING THE VALUE LADDER OF COMPETITORS

Exercise: Learning from your competitors

- Document the value ladders of 3 competitors using the mapping value ladder framework
- What are they doing well?
- Is there something you could introduce or change based on your findings?

We've now set up the fundamentals for your value ladder.

Believe us, not a lot of companies have this in place, so building this will help you set yourself apart from the competition.

LEAD MAGNETS

We have discussed the concept of lead magnets to acquire leads for your value ladder. These incentives are an effective technique for gaining a prospect's contact info and show them what you've got to offer.

All you have to do is follow these three simple steps.
Promote your lead magnet to drive more traffic to your website and email list.
Get their contact details so you can market your products to them.
Start your value ladder from there.

The problem with lead magnets is that they can take a lot of time and energy to produce. Cheatsheets (!), ebooks, and ultimate guides, they all sound great, but who has time to create all those free giveaways?

But here's the good news: they don't have to be lengthy, complex, or time-intensive to create to be effective. Here are four simple ways to create a lead magnet:

1. Repurpose your content with an ebook
If you already produce blogs, newsletters, or any other form of content about a certain topic, an easy way to create your lead magnet is to bundle that into an ebook. Call it "everything you need to know about [your topic]," and you're done!

2. Repurpose someone else's content with an ultimate guide
If you're not a great copywriter yourself or there is already so much content available online about your topic, this might be the solution

LEAD MAGNETS

for you: create an ultimate guide of the best articles about your subject. Make sure you're linking to the primary articles online in your guide, and you're good to go!

3. Explain a complicated topic in a cheat sheet
Okay, we must say, ours took quite a long time to produce as we wrote an entire ebook to come along with it, but you could do this the easy way too! You're an expert in your industry, and people in every niche want answers on how to do something. So you can create a one-page cheat sheet about a complicated topic to help them solve problems or reach goals faster. You can deliver this as a checklist, mind map, or blueprint too.

4. Display your successes with a case study
Another easy and very effective lead magnet is a written case study. You can interview your customers about their success under your guidance and package this into a case study. These can do wonders to help you solidify your expertise in your niche.

Make sure it always meets these criteria:
Solves a specific problem with a specific solution
Offers a high degree of perceived value: just because it's free doesn't mean it should look free
Demonstrates your expertise
It must be easy to digest

Always end with a call to action
There must be no dead ends in your marketing materials. There should always be a next, and you should tell them what that step is.

LEAD MAGNETS

They have read through all your content, so now is the time to keep them engaged and convert them into paying customers. Ensure every lead magnet you create ends with a Call-to-action to one of your services or products and follow-up with an (automated) email.

Customer desire map

We have created a customer desire map, so you've got the voice of your customer documented. The better your lead magnet is tailored to your customer desire map, the higher the chances that the lead magnet will convert people into your paying customers.

LEAD MAGNETS

Exercise: Creating a lead magnet

- Create a lead magnet to start your value ladder. You can use one of these four ideas, or you can come up with something new. Be creative!
- If you are already using lead magnets, that's great! See if you can create different downloadables for different products or services.
- Use a tool like Canva to make your lead magnet appealing
- Create an automated follow-up email - you can do this via your email tool, your website platform, or you can just save a template in your inbox.

DIRECT RESPONSE COPYWRITING

Writing sales copy that influences your audience to buy can be extremely time consuming and a painful process to go through when creating your sales material.

It's a well-known fact that people hate being sold to, but they love to buy. So having an appealing sales copy will help you sell your products so much easier and faster.

That's why we want to share some powerful Direct Response Copywriting (DRC) formulas with you that can be used for any business. DRC is a proven way of writing that's persuasive for people to take immediate action.

Dominos, for example, uses this headline on their website for people to order pizzas:

Hot, fresh pizza delivered in 30 minutes or it's free.

The formula used here is:
[End Result a Customer Wants] + [In a Specific Period of Time] + [Addressing Objections]

End result: Hot, fresh pizza
Within a period of time: 30 minutes
Objection: I don't want to pay for a pizza that's delivered too late or is cold

DIRECT RESPONSE COPYWRITING

We can use this in our context too:

Acquire new clients in 30 days without having to spam people on social media
Or
Grow your revenue fast and easy in only 15 minutes per day without having any knowledge of online marketing

These are very powerful statements, speaking to the customer's deep pains and desires and then solving them immediately.

Another formula you can use in your copywriting is the following:

[How Would You Feel if You Got] [Insert Desire 1] & [Insert Desire 2], [While Addressing Objection]!

Desire 1: Fit body
Desire 2: Healthy mind
Objection: Going to the gym every day

How would you feel about having a fit body and healthy mind instantly, without working out every day?

Or again, in our context:

How would you feel if you could acquire more customers and grow your revenue fast and easy without having to work more?

DIRECT RESPONSE COPYWRITING

Direct response copywriting is the ultimate leverage in your dream 100 and value ladder.

You've already created a customer desire map and did a product-market fit survey, so you know the questions, objections, and desires your customers have.

This, combined with these writing techniques, will help you improve your copy as you're really speaking (writing) to what people want to hear.

For more inspiration: **Google top copywriting formulas.**

DIRECT RESPONSE COPYWRITING

Exercise: Applying DRC formulas to your copy

- Go to your website or landing page and apply at least one copywriting formula to your headline, the first thing that people see.
- Also, try to apply these formulas to your headlines in your sales materials.
- If possible, A/B test your new headlines against the old headlines and see what resonates with your audience.

Interesting resources to check out if you want to learn more about direct response copy

- **Copytesting.com** - test copy with your audience
- **Copyhour** - Learn Direct Response through 90-day exercises of handwriting (I've done this; it works!)
- **The Ultimate Sales Letter** - A great introduction to Direct Response Copywriting

STORIES AND CASE STUDIES

Two things will help you sell more when you apply this in your marketing and sales materials.

- Case Studies
- Hero's journey

Case studies

When we work with clients, one of the first things that we let them do is create a case study to find their business's sweet spot. And of course, we are using a framework to make life easier!

If you answer the questions of the framework below, you have already written down most of the text for your case study, so you only need to bring everything together into one piece of content.

Case Study Framework

- Type of customer
  - Size of the customer
  - The industry they're in
  - Any specific things other companies could identify with: for example, a female founder
- Case
  - Why did they approach you?
  - Which questions did they have at the start?
- Approach
  - What did you do?
  - Why?
- Results
  - What didn't work?

STORIES AND CASE STUDIES

- What worked?
- Which tangible and intangible results were you able to generate?

Start with your ideal client

Try to create as many of these case studies as possible. It demonstrates proof, and it's also a great toolbox for you to tell relatable stories for future prospects. We always recommend starting with a case study around your ideal client. You want to get more of those, so having that case study ready will help you convert more of those clients.

Hero's journey

You can use case studies to move your audience towards buying more from you. But an even more powerful tool is telling a story about yourself and your journey. Sharing this will make it easier for people to relate and connect with you, making you stand out from the rest.

A framework that we use for writing powerful stories is the Hero's journey. This is a classic framework which you'll find in a lot of movies too. Chris has used this in most of his keynotes and sales presentations to introduce himself:

When I was an auditor at KPMG, I hated my job so much that I decided to quit after just one year and start a company from scratch together with two of my friends. In that year, we lost over 200k of our money, and we made 0 revenue. What a disaster!

STORIES AND CASE STUDIES

Instead of going back to KPMG, I moved in with my parents and started searching for something else that could make my next startup work. I stumbled across growth hacking, the methodology that successful startups from the US were using, and completely immersed myself in this area. The decision was made: I would start a growth hacking agency. After a tough first year, we were able to crack the code. And only three years later, I was invited to speak around the world about growing businesses and scaling startups.

Hero's journey Framework

1) The Call; describing the ordinary world you live in and your confrontation with a problem or challenge. Your adventure awaits!

2) The Threshold; once called to your adventure, you must pass over the Threshold. It's the interface between the known and the unknown. You might have encountered a mentor or helper to guide you.

3) The Challenges; On your quest, you face a series of challenges or temptations.

4) The Abyss; this is the greatest challenge in the journey.

5) The Transformation; As you conquer the Abyss and overcome your fears, your transformation becomes complete.

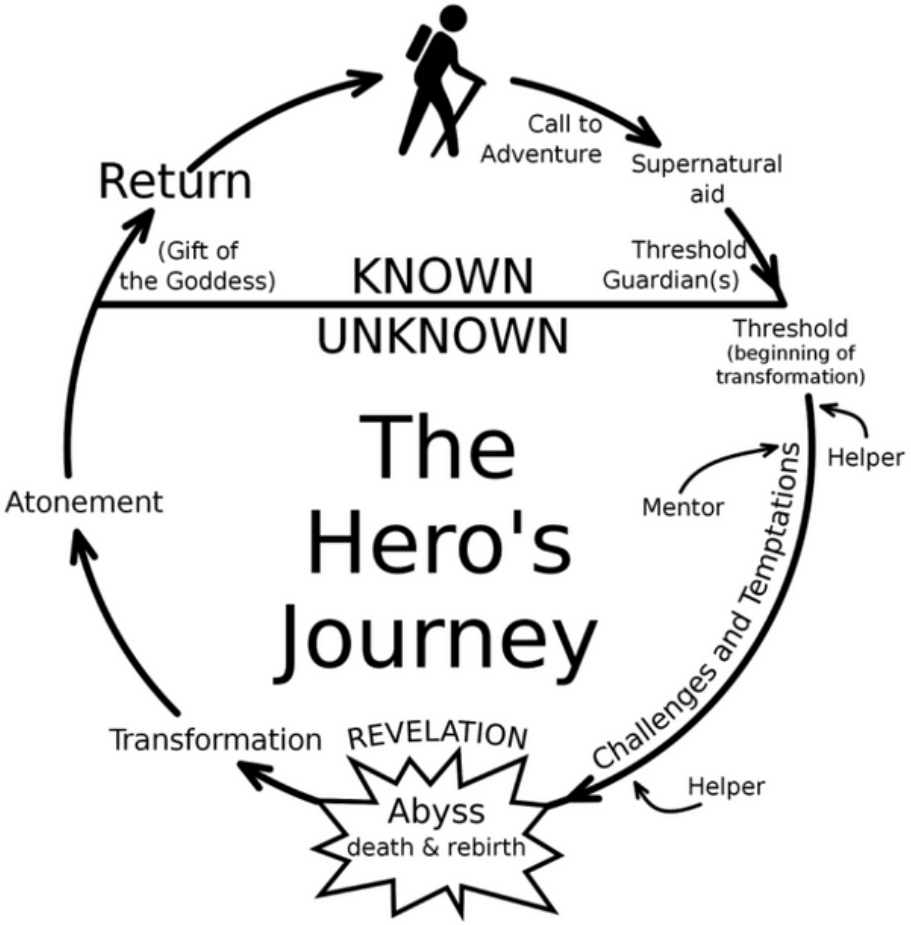
6) The Revelation; because of the transformation you experience a dramatic change in the way you think or view life.

7) The Atonement; you have incorporated the changes we made in the Journey

8) The Return; you have discovered your gift, which is the result of our new level of skill and awareness.

STORIES AND CASE STUDIES

Note: Every journey is unique so not every journey will have every step or follow this specific order.



STORIES AND CASE STUDIES

Exercise: Build your case Study

- Create at least one case study based on your ideal client, use the framework provided
- Start thinking of your own hero's journey and see if you can incorporate it into your sales pitch or presentations.
  - Can you create a story that will make you stand out from the rest?
  - What transformed you into who you are now?
  - What was your greatest challenge in life or in business and how did it affect your way of working now.

You can, of course, create as many stories as you want. Having a toolbox of stories will also make you more confident during your sales process, as you know that you've got something that people are interested in hearing.

ADDING PRODUCTS TO YOUR VALUE LADDER

Adding a new product to your value ladder can massively increase your revenue per customer and unlock a new revenue stream.

The question is if you should launch a new product at the bottom or at the top of your value ladder?

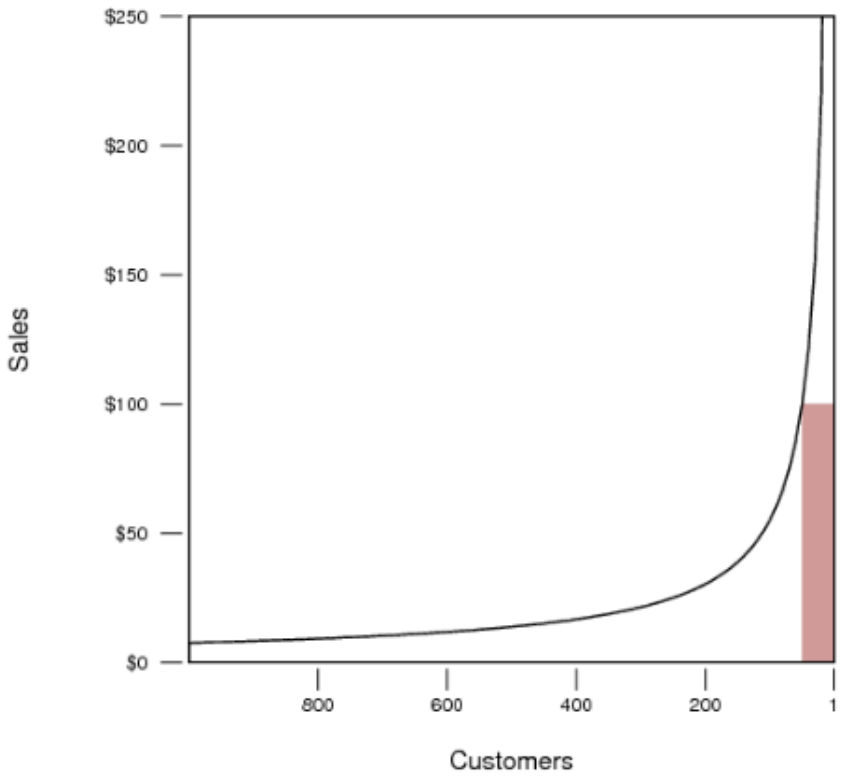
Calculate the potential of your business with the 80/20 curve
Perry Marshall created a tool, **the 80/20 curve**, to show how much demand there would be in your business for a lower-priced and a higher-priced product.

You can use this tool if you have enough data about how many people saw your offer and how many of them actually bought it.

- Total members = amount of people exposed to the offer. Could be your website traffic or the number of people on your email list if you only tried to sell to them
- How many members responded = how many people bought a product
- What was the value of the output = The price they paid

Let us explain:
Let's say that you've got a $100 product that you sell to 50 people per month. Every month you have 1000 visitors to your site. The tool will generate this curve:

ADDING PRODUCTS TO YOUR VALUE LADDER



How should you read this graph?

- We have 1,000 visitors, and 50 of them bought a $100 product. That's the red area.
- On the vertical axis, you see the product price that people are willing to pay.
- On the horizontal axis, you see how many people would buy a product at that price if you would offer it.

The graph shows that 200 people out of the 1,000 from this audience would buy a $25 product. That is 200 x $25 = $5,000 of extra revenue if you would introduce this product.

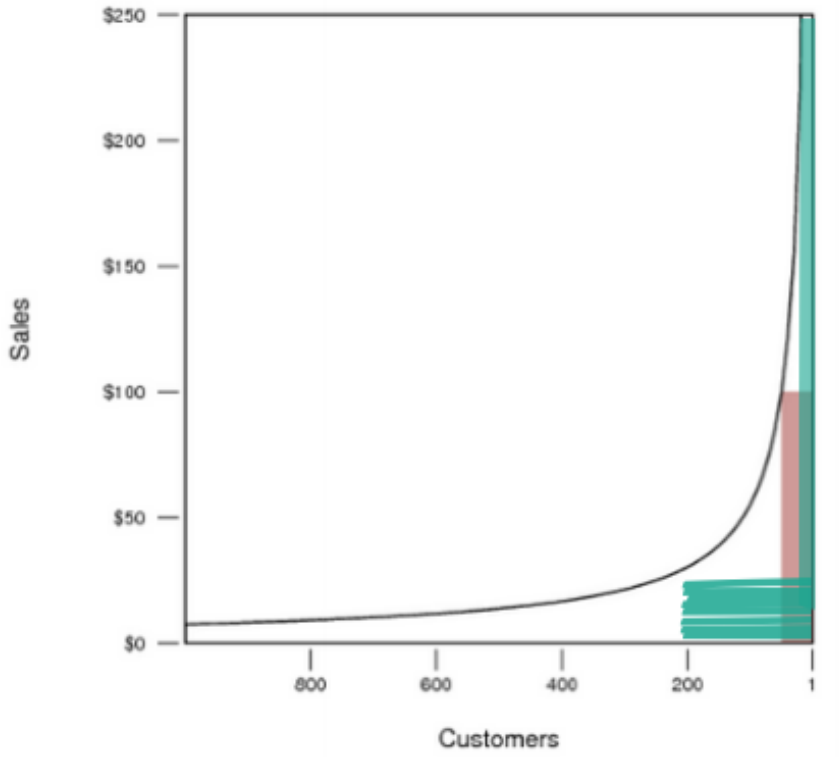
ADDING PRODUCTS TO YOUR VALUE LADDER

At the higher end, you can calculate that 10 people would pay $400 for a higher-priced product at the higher end.

Let's calculate what the revenue potential would be if we would add those two products:

- Your start revenue per month: 50 people x $100 product = $5,000
- Introduce a lower level product of $25 and 200 people will buy that = $25 x 200 = $5,000
- Introduce a higher level product of $400 and 10 people will buy that = $400 x 10 = $4,000
- Total extra revenue = $9,000

By doing this, you've increased your revenue from $5,000 to $14,000. That's a 180% increase in revenue!



ADDING PRODUCTS TO YOUR VALUE LADDER

If you don't have the data to use this tool
If you don't have this data, we recommend that you try to pay more attention to what you're currently selling the most.

- Is the most expensive product your biggest seller? This means you can probably add a higher-priced product.
- Are prospects constantly asking for a discount or a cheaper variant of what you're offering? This means that you can test new lower-priced products.

If you don't see this difference in your business, try to do both, and see what takes off faster.

Adding a low-end product as a service provider
When you're a service provider that charges by the hour, it can be a smart move to add a low-cost information product. This could be an ebook, webinar or online course for example, helping clients who don't have the budget to pay for your hourly rate or who want to give it a try themselves.

It helps you to keep your rates fair because you can guide your prospects to a cheaper 'step-in' product, and you don't have to worry about lowering your own hourly rate to help clients.

Adding a high-end product as a service provider
Creating a high-end service product can be challenging when you've always been delivering operational/tactical work. When you want to go high-end, it's important to add more strategic work into your services.

ADDING PRODUCTS TO YOUR VALUE LADDER

A strategy that we've used is that of a VIP day. You take one full day with your client, where you ask about their goals and set out a strategy relevant to your line of services. So when you're providing SEO services, you create an online marketing strategy and connect that to your SEO services.

Adding a high-end product as an online business

When you've got an online product or service, you can create higher-end products by adding a special attention service component. You don't have to make many changes to your product but just differentiate by changing the amount of attention you give to people (by adding a dedicated account manager to the product for example).

ADDING PRODUCTS TO YOUR VALUE LADDER

Exercise: expanding your value ladder

- Run the data of your most sold product through the 80/20 tool
- Determine if you're going to add a low-end or high-end product
- This guide has **42 tricks** to help you choose the best price for your new product. Nick Kolenda is a recognized expert in the field of pricing & psychology research
- Add a new product to your value ladder. Don't make this too complicated! We want you to add it and test it to see if it resonates with your audience.
- Test your new product with prospects if it's a low-end product
- Test your new product with your clients if it's a high-end product

Adding more products to your value ladder and continuously testing what works can really make a big impact on your revenue. These frameworks help you launch quickly, and we can't wait to hear your feedback!

CREATING DESIRE FOR YOUR NEXT PRODUCT

You build a value ladder because you want people to experience so much value at a lower-priced product that it becomes a no brainer for them to invest in this product when you offer a higher product.

So how do you open the desire for the next product?

Results
The best way to do this is by having your product generate great results for people. When you do this, it's important to make the connection to the next product. Show people that you can help them reach even more success. We call this your value ladder warm-up strategy.

Have your numbers in place
Do you know how many people are using each product on your value ladder? Do you know how many people that bought your first product also bought your second product? Do you know how long it takes on average between purchasing the first and second product?

All these insights will give you an indication of when you should be promoting your next product to your audience. If it takes three months on average before they move to another product, don't sell them at the two-month point, but start at three.

How do you recognize these moments, and what can you do?

CREATING DESIRE FOR YOUR NEXT PRODUCT

Inform your customers about your next product
It sounds so obvious, but we've seen this in so many companies when clients tell them: "we didn't know you also could do that for us." The question is, how do you strategically tell your customer that you've also got other products that could be interesting for them?

Mention it in the communication around your product.

"After we've done this, the next step that we offer is X."

"Other clients who got results with this product got these extra results when they also invested in Y."

Make sure that you make these kinds of references at least once per 2 weeks. When you're selling your first product, it's also important to mention the other products that people could get after this product.

One thing you can do now is reaching out to your current customers and check if they're fully aware of all the different products and services that you offer.

Use the feedback high moment
Are you requesting feedback from your customers about their results with your product? If so, you can offer them the next product when they say they're thrilled with your work. People want to be consistent with what they stated. It's strange not to go for the next step when they said they're happy with your product.

CREATING DESIRE FOR YOUR NEXT PRODUCT

Let them experience your next product. Share it as a bonus.
Is it possible to already give 10% off your next product experience to your customers? You see that many tools give you 14-day access to a higher-priced tier, so you start using the features. When you've used it, you don't want to go back. You're using the psychological principle of loss-aversion. You don't want to lose something.

A great strategy to share this extra experience is to frame it as a bonus. When we launched the growth lever cheat sheet, we gave people a FREE 5-day challenge. That challenge gave people a taste of what they could expect during the 30-day challenge.

It's essential to focus on the tipping point. Can you identify that spot that if people have "tasted' that much, they want to buy your next product? Guide them through that experience, and your value ladder sales will go through the roof!

How can you apply this as a service provider? Can you give 1 hour of your next service away as a bonus, which is a trojan horse to up sell your next service?

Find external triggers that spike desire for the next product
The desire for another product can also increase because of external events. A change in weather, season, or legislation can be a trigger to sell them another product. When you're selling services around tax, it's best to do your up sells during the tax season. Do people buy your product or services based on external triggers? Make sure that you reach out to them based on those triggers!

CREATING DESIRE FOR YOUR NEXT PRODUCT

Exercise: creating desire for your next product

- Take your value ladder
- Create the next product bonus - can you give your clients a 10% taste of the next product?
- Offer that next product “taste” to at least 10 of your customers
- Focus on that tipping point, when have people tasted enough to buy the next thing?

Be generous with providing extra value. It will happen that people don’t take the next step, but another group will. Focus on them and grow your business! 20% of people will generate 80% of your revenue.

AUTOMATING YOUR VALUE LADDER

Many business owners don’t realize the importance of building an email list when they’re first starting out. But we believe that everyone should work on this to promote their products and services.

Subscribers joined your list because they downloaded your lead magnet or want to stay up to date, so they are extremely interested in what you have to offer. This is why email marketing sees such a high ROI. These people are more likely to convert into paying customers than all other ‘cold’ audiences are.

So let’s see how you can send emails more efficiently with email automation. We can imagine that starting with this sounds technical and feels overwhelming, but we’ve included some easy, free, accessible steps that everyone can use. If you want to go all-in, we’d recommend hiring an email marketer to help you with the setup.

Automation makes email marketing scalable

With email automation, you use predefined rules to trigger email messages based on specific actions customers take. So the welcome email that is sent when a customer signs up for your lead magnet, or the follow-up email that is sent introducing your next product, can be automated.

Email automation takes repetitive tasks off your to-do list to free up your time for other valuable tasks, such as growing your business. When you've set it up so that your platform sends a message every time someone signs up for your mailing list, you don't have to be available to do it yourself. Let your emails do the selling for you!

AUTOMATING YOUR VALUE LADDER

Getting started with an autoresponder
The first step you could start with is activating an autoresponder to welcome new subscribers after downloading your lead magnet. You want to start the conversation straight away now that your audience is still 'warm'.

If you're working with WordPress or Gmail, you can use these two easy and free ways below; no tools or marketing knowledge required.

1. Using Wordpress and **Contact Form 7**
2. Using Gmail **Canned Response (template) and Filters**

Sending newsletters using an email marketing platform
Now that we have an autoresponder installed and your audience receives a welcome email after submitting their details online, it's important to stay in touch and warm them up for your other products.

The easiest way to do this is by sending out a weekly/bi-weekly/monthly newsletter. There are a lot of super-easy tools that you can use and some of them are completely free. We'd recommend tools like **Mailchimp** (free basic plan possible) or **Getresponse** ($10.50/mo).

Or, check out **this list** of best email marketing services or **this one** comparing a lot of free tools.

AUTOMATING YOUR VALUE LADDER

Sending newsletters with Gmail
If you don't feel like managing a third-party email service, you can use **Mailking** to create and send email campaigns right from within Gmail. It's free and gives you plenty of features. To get started, just follow **these simple steps**.

Newsletter Ideas
Are you struggling to find newsletter ideas to keep subscribers engaged? Try some of these:

- Business or product updates
- Industry news
- Blog posts
- Client cases
- Your Hero's Journey
- Product Features
- Promotions or giveaways
- How-to's

And last but not least: ask your subscribers for feedback!
People love sharing their thoughts and opinions. And interactive content like a poll or survey does wonder for boosting engagement.

So, if you want to keep subscribers engaged, ask them for their feedback with a survey!

AUTOMATING YOUR VALUE LADDER

Exercise: getting started with email automation

- Create an autoresponder after the download of your lead magnet to welcome your subscriber
- Create a newsletter that keeps your subscribers engaged, informed, and warms them up for your other products.

Do you want to go all-in with trigger-based workflows, but you don't have the knowledge to build these? Let us know, we'd love to help!

FINDING FOCUS

The second growth lever of our Growth Challenge is the value ladder.

A value ladder's key concept is to move people strategically through your list of offerings that increase in price and value.

If you do this well, you can massively increase your CLTV.

- The critical mindsets to embrace:
- Offer in each product so much value that investing in a higher-priced product becomes a no-brainer
- Create products that people can't live without
- Build a machine that moves people from offer to offer
- Use Direct Response Copywriting and Automation to make selling easier for you

Now it's time to get clearance on your next value ladder step.

We covered a lot, and you went through 10 exercises! If you finished them all, you're a rock star! If not, don't worry. This last exercise will help you find the one thing that will set you up to maximize the output.

FINDING FOCUS

Exercise: Finding your growth Lever

- Go through your previous value ladder exercises.
  - Analyzing your product-market fit
  - Creating a customer desire map
  - Mapping your value ladder
  - Leveraging the value ladder of your competition
  - Building irresistible lead magnets
  - Supercharge your sales using Direct Response Copywriting
  - Stories and case studies to improve your selling
  - Adding products to your value ladder
  - Creating the desire for another product on your value ladder
  - Automating your value ladder with emails
- Plot the exercises in an impact-effort matrix
- Start with the exercise with the lowest effort and highest impact.
- Try to finish at least one exercise in the coming weeks.



ABOUT US

In our combined 20.000+ hours of experience, we've encountered the same issues that businesses struggle with and found a common passion for growing businesses and (online) transformation.

Chris has founded one of the worlds best growth hacking agencies and exited in July 2020. He has worked with hundreds of clients on different continents. He is a lecturer at Beeckestijn Business school and has spoken around the world about growth.

His true passion is unlocking extreme revenue growth and transforming everything that is necessary to support that. Chris still works with some clients 1-on-1 next to building his portfolio of online products.

Marlies has 10+years experience in working as a Marketing Manager for big corporates such as eBay and Bugaboo as well as (tech) startups and scale-ups in the Netherlands. In 2019 she co-founded the agency Amsterdam Webdesigners and has consistently made 10K+ since her first month as freelance consultant.

Great teams know their strengths and weaknesses. Therefore Marlies is creating our online infrastructure, campaigns, copy and creatives. Chris is more client facing in our products. So, he is your main point of contact.